

An aerial photograph of downtown Traverse City, Michigan, showing a mix of residential and commercial buildings, streets, and green spaces. The image is overlaid with a semi-transparent teal color. The text is centered and reads:

MOVING DOWNTOWN FORWARD

Traverse City, MI

September 9th, 2022

AGENDA

- What's next for Downtown?
 - Community Outreach Overview & Themes
 - Market Assessment Key Findings
 - Key Takeaways
- What's next for the DDA?
- Next Steps



An aerial photograph of a city street grid, overlaid with a semi-transparent teal color. The text is centered in white, bold, uppercase letters.

WHAT'S NEXT FOR DOWNTOWN: COMMUNITY OUTREACH OVERVIEW & THEMES

COMMUNITY OUTREACH - OVERVIEW

Received over 1,200 inputs through various formats:

- Downtown Stakeholder Engagement
 - Individual Interviews
 - Roundtable Meetings
 - Working Group Meeting
 - Engagement with DDA Board
- Online survey – **1,172 responses**



DOWNTOWN STAKEHOLDER THEMES – STRENGTHS

- Storefront economy
- Character and charm
- Natural amenities
- Reasons to come Downtown
- Multi-modal options
- DDA stewardship of Downtown revitalization



DOWNTOWN STAKEHOLDER THEMES – CHALLENGES

- Fear of change
- Affordability (residential and commercial)
- Improve the parking experience
- Seasonal nature of tourism
- Small business retention
- Traffic patterns



DOWNTOWN STAKEHOLDER THEMES – PRIORITIES

Physical Improvements:

- Improve the parking experience
- Enhance connections to the natural environment
- Improve the non-vehicular Downtown experience
- Enhance the public realm
- Spread energy throughout Downtown beyond Front Street



DOWNTOWN STAKEHOLDER THEMES – PRIORITIES

Services and programs:

- Make Downtown more inclusive and welcoming
- Ensure transit is convenient and accessible
- Support affordable housing in Downtown
- Support local, independent businesses and storefronts in
- Improve communication and marketing of Downtown
- Increase year-round activation of Downtown public spaces
- Become a precedent for sustainability and environmental resilience



DOWNTOWN STAKEHOLDER THEMES – PRIORITIES

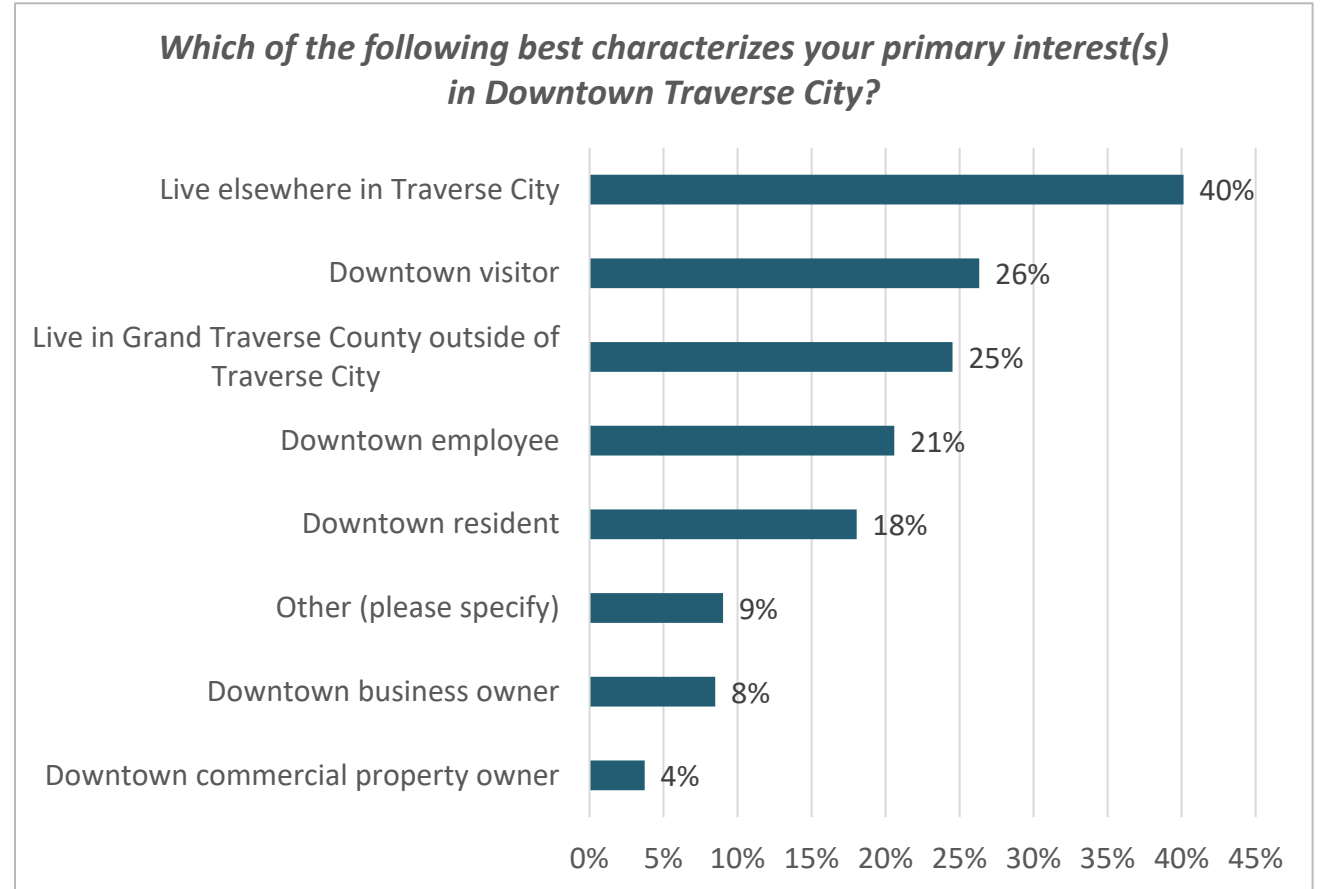
Priorities for the DDA moving forward:

- Focus on implementation of priorities
- Continue championing Downtown
- Improve intentional communication
- *Reevaluate and diversify organizational structure*
- Cater to locals as well as tourists
- Support the storefront economy and small businesses



WHO WE HEARD FROM – ONLINE SURVEY

- Survey respondents represented a cross-section of Traverse City stakeholders.
- Respondents were most commonly 35-64 years old (61%), white (96%), female (66%), and representing a range of household incomes.
- 83% of respondents identified as local residents, with 58% living in Traverse City and 25% elsewhere in Grand Traverse County.

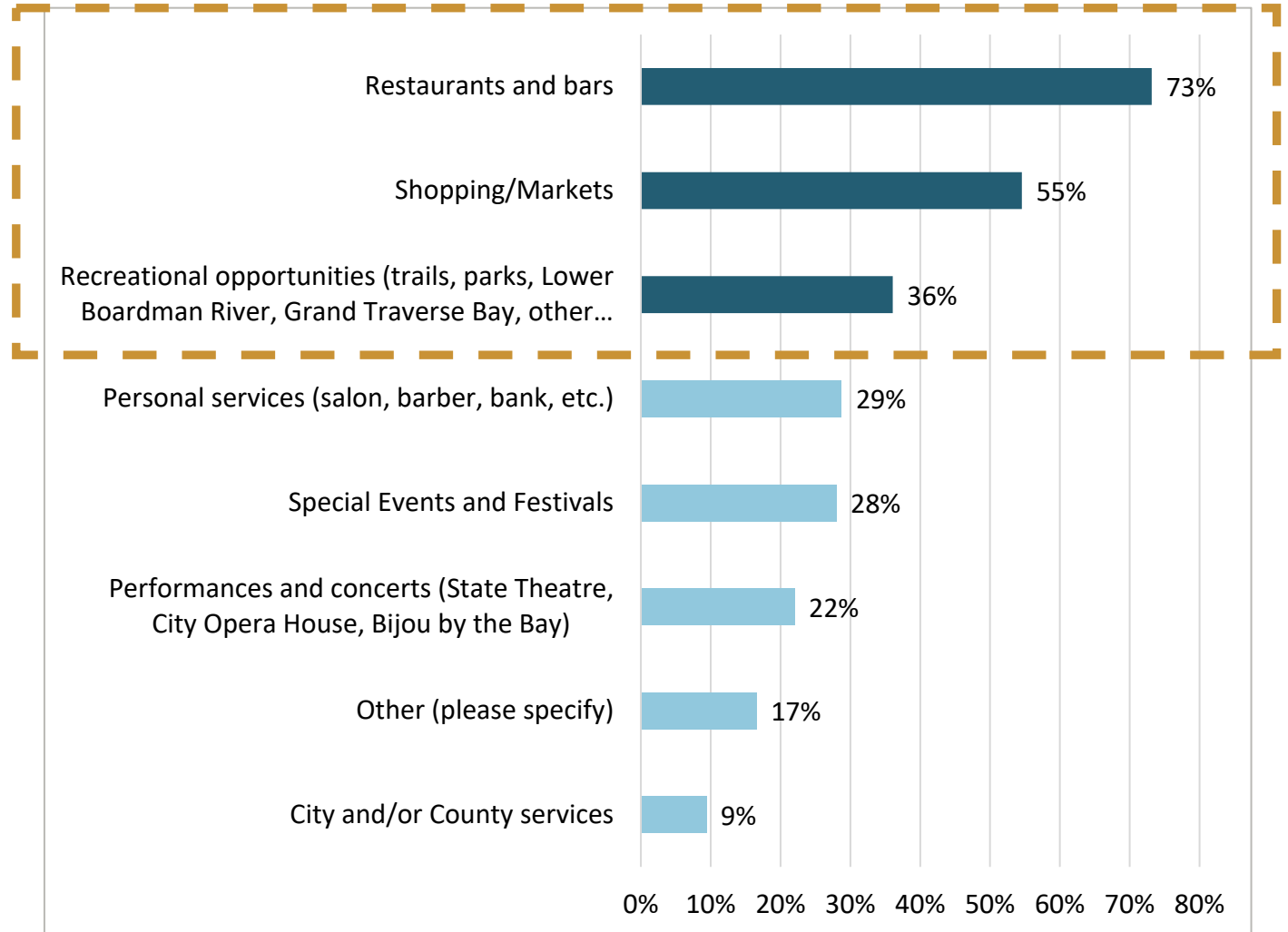


COMMUNITY OUTREACH THEMES – ONLINE SURVEY

Please select the top three things that bring you to Downtown.

Top 3 responses:

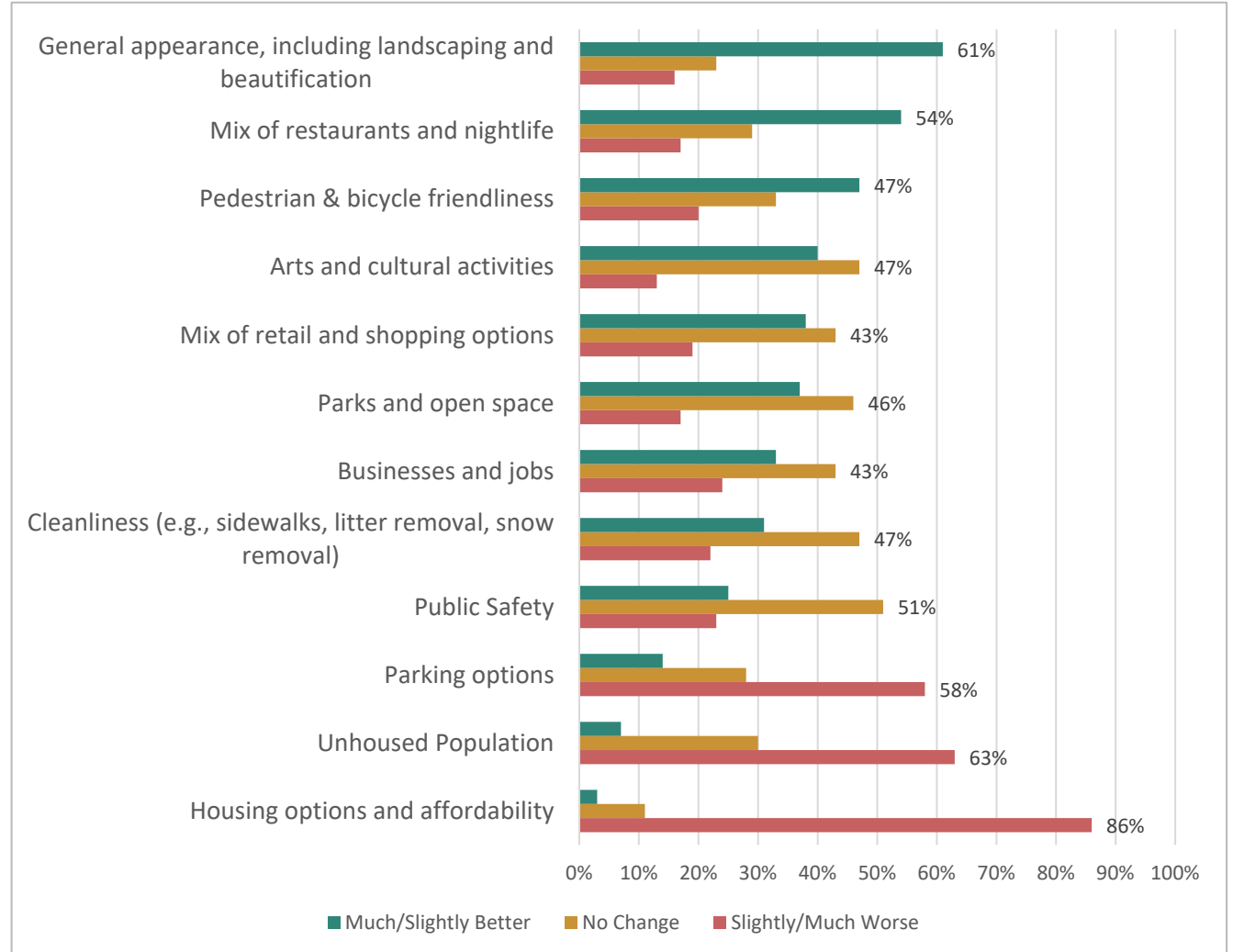
1. Restaurants and bars - **73%**
2. Shopping/markets - **55%**
3. Recreational opportunities - **36%**



COMMUNITY OUTREACH THEMES – ONLINE SURVEY

Do you think the following characteristics of Downtown have become better or worse in the past five years?

- **Better:** general appearance, mix of restaurants and nightlife, and pedestrian & bicycle friendliness
- **No Change:** public safety, cleanliness, arts and cultural activities, parks and open space, mix of retail and shopping options, and businesses and jobs
- **Worse:** housing options and affordability, unhoused population, and parking options

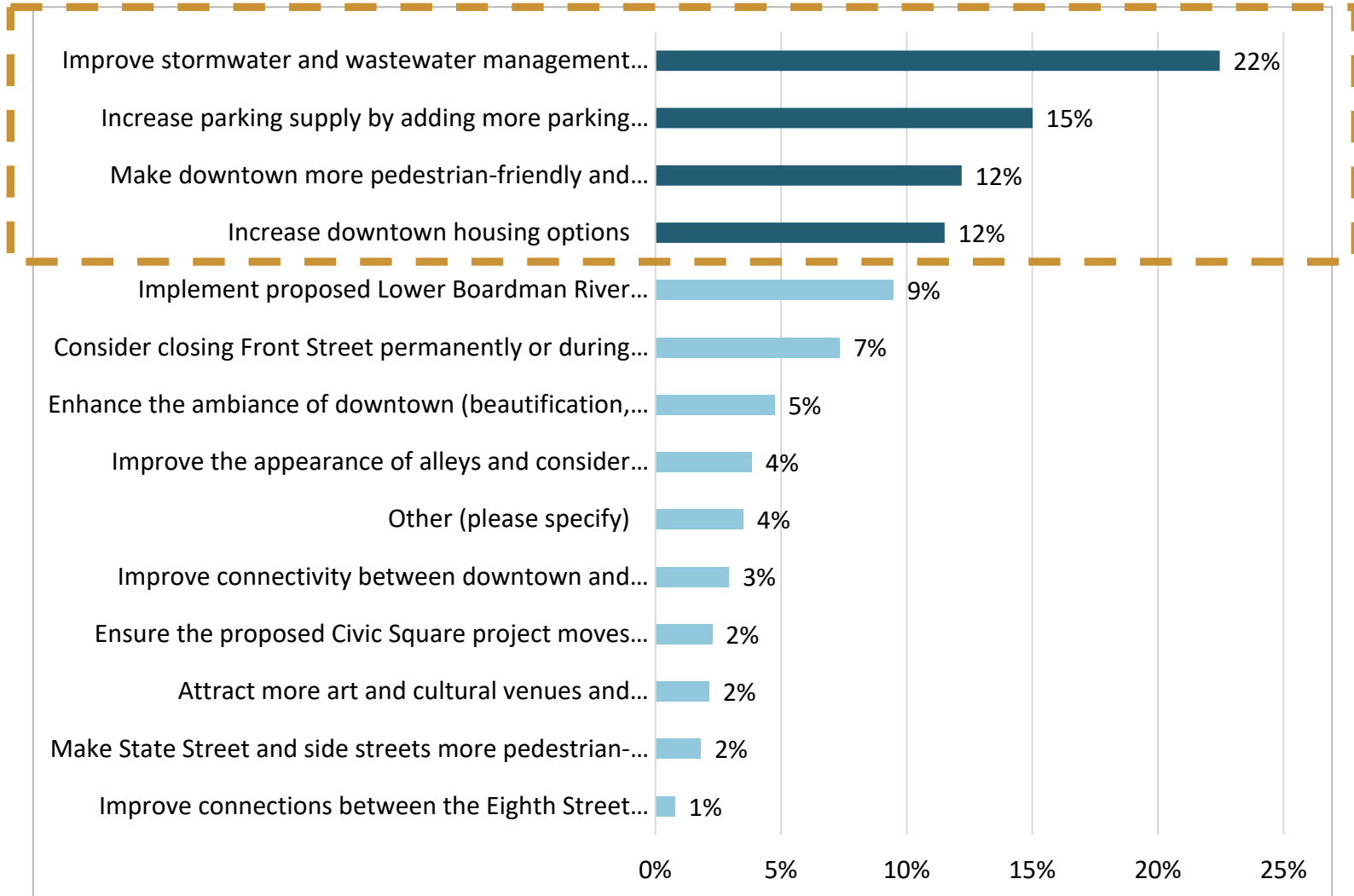


COMMUNITY OUTREACH THEMES – ONLINE SURVEY

*Of the **physical improvements** listed, which **ONE** action will be **MOST** important?*

MOST important actions:

1. Improve stormwater & wastewater management - **22%**
2. Increase parking supply by adding more parking structure(s) - **15%**
3. Make Downtown more pedestrian-friendly and accessible - **12%**
4. Increase Downtown housing options - **12%**

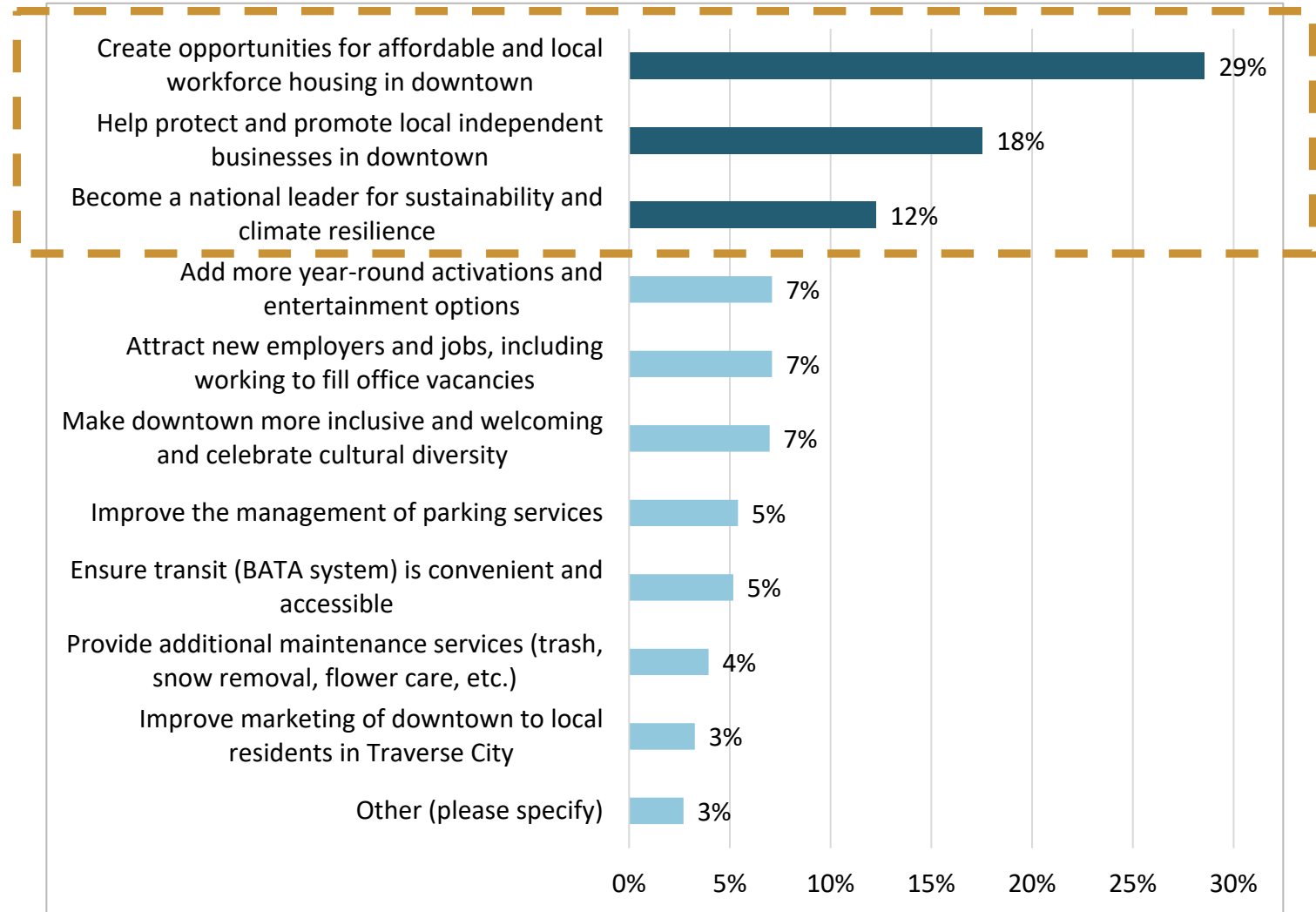


COMMUNITY OUTREACH THEMES – ONLINE SURVEY

*Of the **services** listed, which **ONE** action will be **MOST** important?*

MOST important actions:

1. Create opportunities for affordable and local workforce housing in Downtown - **29%**
2. Help protect and promote local independent businesses - **18%**
3. Become a national leader for sustainability and climate resilience - **12%**

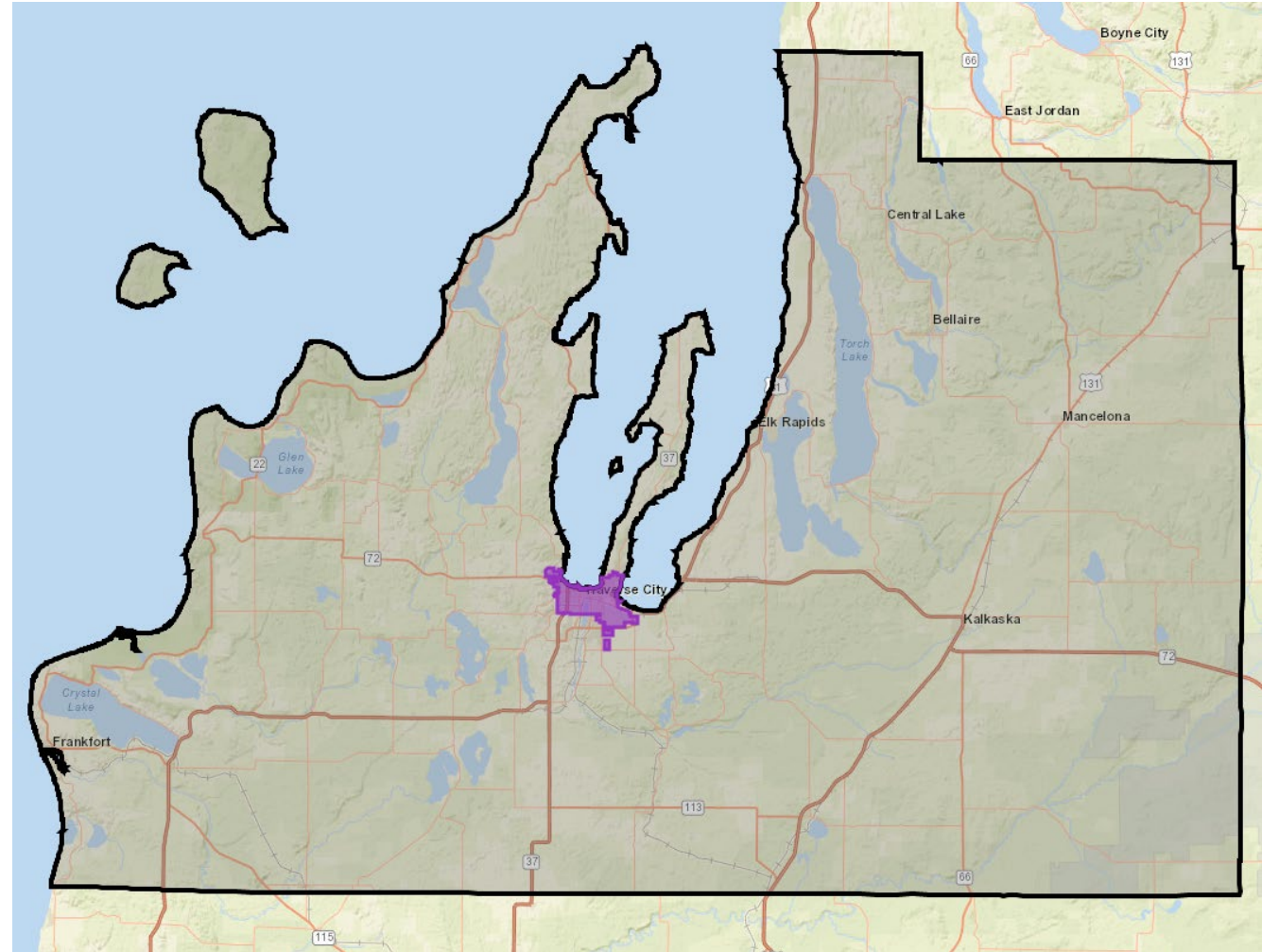


An aerial photograph of a city, likely downtown, with a teal color overlay. The image shows a dense urban area with various buildings, streets, and green spaces. The text is centered over the image.

WHAT'S NEXT FOR DOWNTOWN: MARKET ASSESSMENT KEY FINDINGS

MARKET ASSESSMENT

- **Three main market areas:**
Downtown (DDA), City, 5-County Region
- **Peer cities:** national, similar size metros and market dynamics, outdoor meccas, seasonal tourism
 - Burlington, Bend, Bozeman, Rapid City
- **Structure:**
 - Live
 - Work
 - Shop & Dine
 - Visit & Stay



MARKET ASSESSMENT – LIVE

- Steady, but modest, pop. growth since 2000
- Older (and aging) population
- Below avg. household size – large proportion of one-person HHs (49% downtown, 41% city)

HOUSING

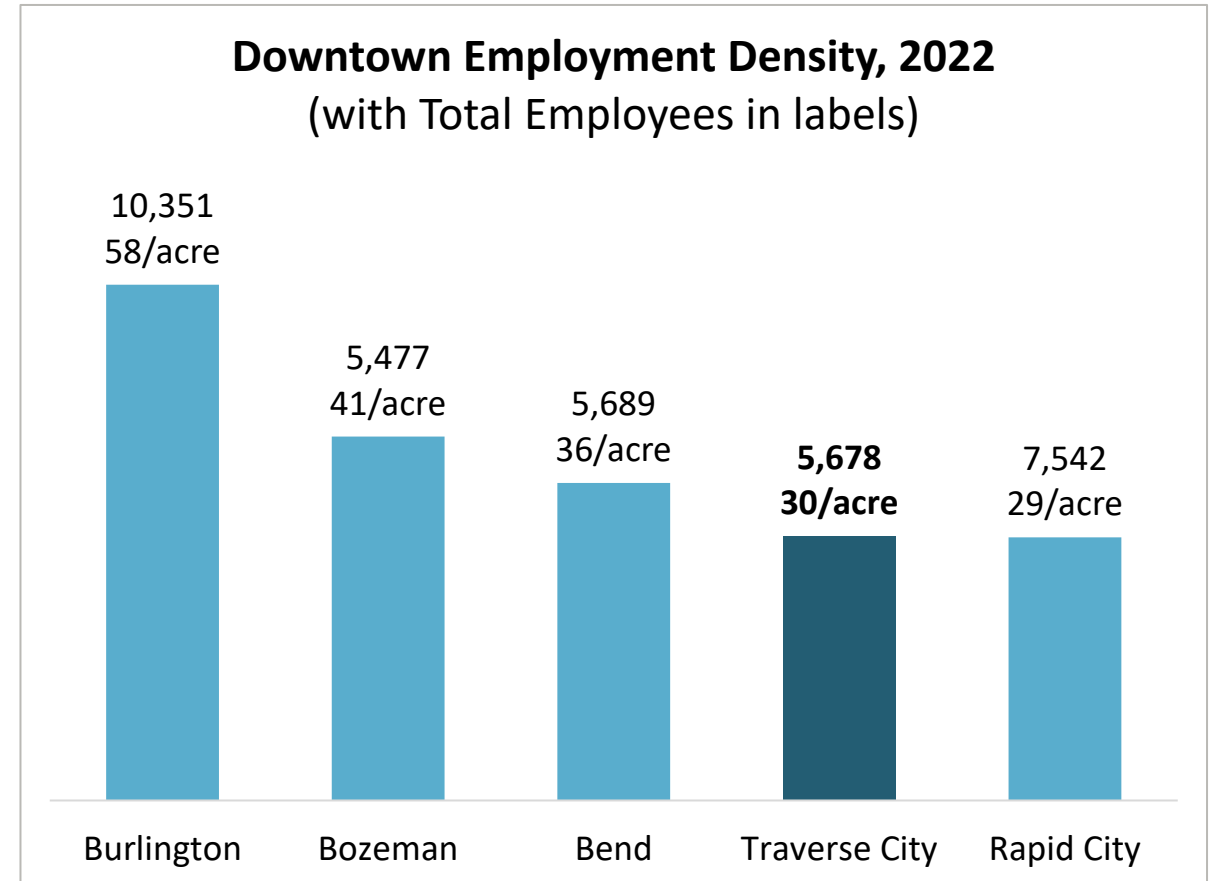
- Strongest real estate sector; unprecedented prices
- Traverse City median home value: \$425,000
→ ***a 48% increase since June 2020***
- Downtown housing carries a premium
 - Avg. sale price (2021-22): \$594,000

Median Age (Region)		
	2010	2022
Bozeman	32.6	35.0
Rapid City	36.6	38.1
Burlington	37.3	39.6
Bend	40.2	42.8
Traverse City	44.2	46.8

Source: Esri Community Profile

MARKET ASSESSMENT – WORK

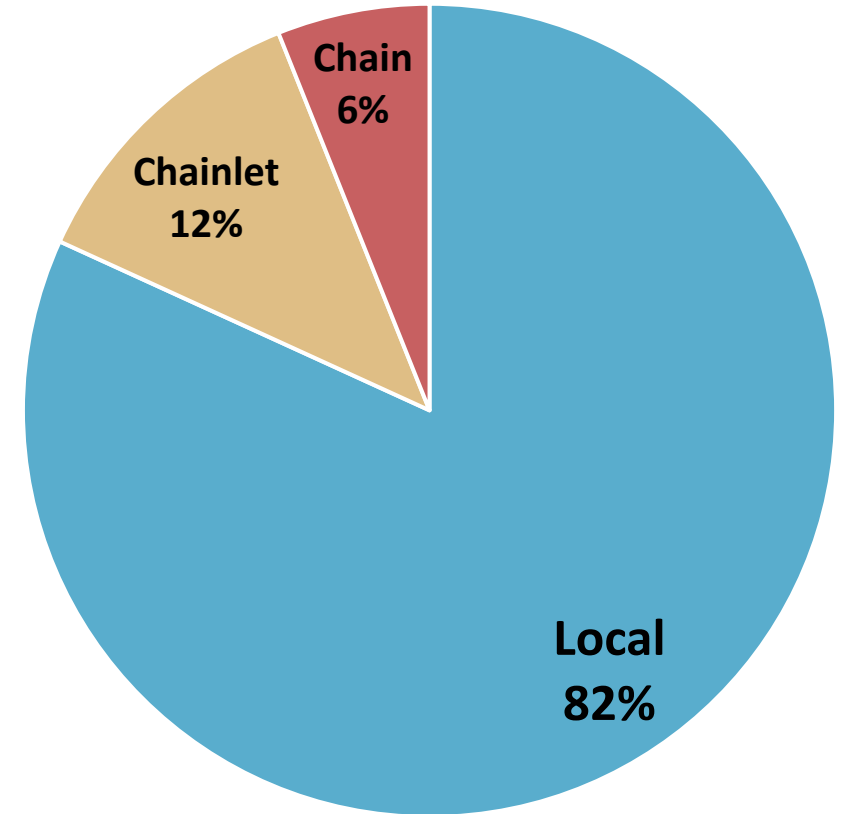
- Economic hub of northern Michigan; anchored by tourism
- **Region's largest sectors:** (1) healthcare, (2) retail, (3) accommodation/food service
- **Downtown's largest sectors:** (1) accommodation/food service, (2) finance & insurance, (3) public admin
- Office sector facing uncertainty (locally & nationally)



MARKET ASSESSMENT – SHOP & DINE

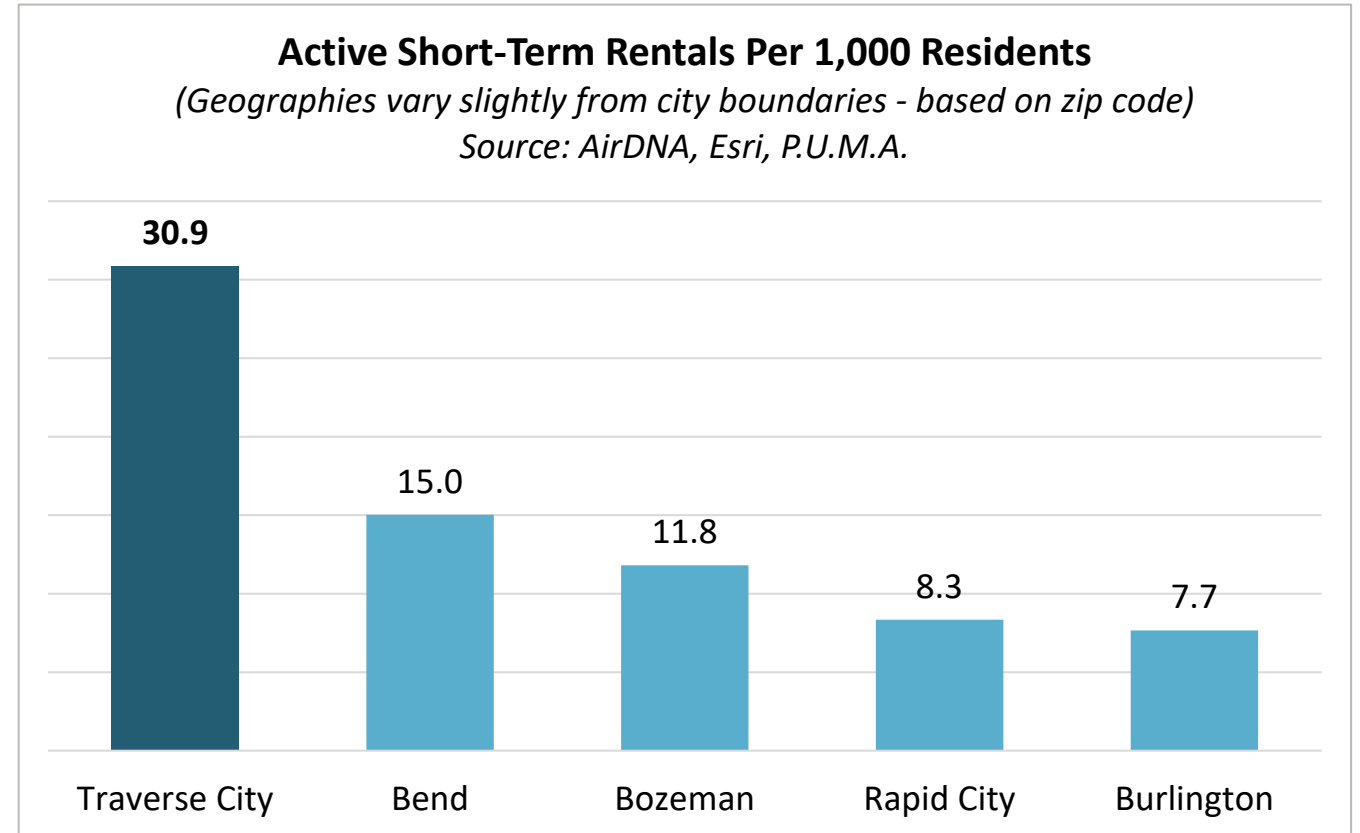
- **Strong, varied mix** of predominately local independent storefronts
- **146 storefronts** in Downtown
- Retail outnumbered food/beverage (*an anomaly nationally as storefronts trend towards dining*)
- A variety of **‘sub-districts’** within Downtown → creates dynamism and surprise
- **Lease rates** on Front St. (increase of +\$8-10/sf over former rates) → displacement potential; chain interest

Storefronts by Ownership Type



MARKET ASSESSMENT – VISIT & STAY

- **Tourism** – key economic engine, but remains seasonal
- Strong visitor numbers throughout Covid, coupled with workforce shortages
- **A booming short-term rental market**
 - 1,500+ active rentals in greater TC
 - 53% increase since 2019
 - Avg. daily rate: \$297 (past 12 mo.)
 - Med. monthly revenue: \$4,500 (past 12 mo.)
 - *Bringing visitors, but straining housing market (and service businesses)*



MARKET ASSESSMENT – KEY CONCLUSIONS

- **Converging trends will be a challenge** (aging pop. + increasing housing costs + tourism growth + boom in short-term rentals/second homes)
 - *Lack of affordability and housing for service industry and working families*
- **Strong mix of local, independent storefronts key to Downtown's identity** – but increase in lease rates, tourism, interest from chains, and staffing shortages will challenge this sector
 - Mix may transition more towards food/beverage
 - Expanding Downtown footprint (Warehouse, West End, East Eighth)
- **Finding additional anchor employers in growth industries remains priority** – remain heavily reliant on Hagerty
 - Lack of four-year university hinders private sector growth – recent initiatives with Michigan Tech, etc. working to address this challenge
 - Fundamentals and differentiators in place to be an appealing workplace location in today's economy

An aerial photograph of a city downtown area, showing a grid of streets, buildings, and green spaces. The image is overlaid with a semi-transparent teal color. In the upper center, there is a large, dark, rectangular structure that appears to be a stadium or arena, possibly under construction or renovation. The text "WHAT'S NEXT FOR DOWNTOWN: KEY TAKEAWAYS" is centered over the image in a white, sans-serif font.

WHAT'S NEXT FOR DOWNTOWN: KEY TAKEAWAYS

KEY TAKEAWAYS --

1. Downtown Traverse City has emerged as a strong economic engine and gathering place for the region.
2. Despite its vitality, Downtown has vulnerabilities.
3. Priorities for new improvements are clear.
4. Priorities for new services are clear.
5. The DDA's mission continues.



1. Downtown Traverse City has emerged as a strong economic engine and gathering place for the region.

- Just 25 years ago Downtown Traverse City suffered from a lack of private investment, job loss, empty storefronts, crumbling infrastructure, polluted properties, and underutilized parcels
- The DDA's leadership, services and strategic use of TIF has been instrumental in creating the Downtown that the region enjoys today



2. Despite its vitality, Downtown has vulnerabilities.

Despite its vitality, Downtown's vulnerabilities include:

- Retaining and supporting small, independent and distinctive businesses
- Availability of housing affordable to the workforce and younger populations
- How new infrastructure and investment in Downtown can support sustainability in all of its dimensions –economic, environmental, and equity
- Protecting and preserving a vital Downtown in the uncertain times ahead



3. Priorities for new physical improvements are clear.

- The priorities of Downtown stakeholders, community members, and the City around desired physical improvements moving forward continue to align with DDA Board priorities
- The top priorities that were identified by the DDA Board, City Commission AND stakeholders:
 - Pedestrian-friendly and accessible
 - Environmental Stewardship (focus to implement stormwater and wastewater management w/i public projects)
 - Increase parking supply
 - Increase Downtown housing options



4. Priorities for new services are clear.

- The priorities of Downtown stakeholders, community members, and the City around desired physical improvements moving forward continue to align with DDA Board priorities
- Top priorities:
 - Create opportunities for affordable and local workforce housing
 - Help protect and promote local independent businesses
 - Become a national leader for sustainability and climate resilience
 - Clearly define responsibilities for services



5. The DDA's mission continues.

- Downtown Traverse City serves as the economic anchor not only for the City, but for the region
- Downtown isn't 'done' - the community has clear priorities for Downtown moving forward
- Downtown continues to need a champion to implement and finance these shared priorities
- If the DDA and TIF go away, City of Traverse City taxpayers will bear 100% of the financial burden of implementing the region's priority improvements for Downtown

DDA Mission Statement:

Collaborate with all stakeholders to provide a world class downtown that is active, thriving, and inclusive. Through investments in sound, sustainable infrastructure and civic amenities, the DDA corrects and prevents deterioration in the Downtown District to encourage historic preservation, to create and implement development plans and to promote economic growth.

An aerial photograph of a city, likely Los Angeles, showing a grid of streets, buildings, and green spaces. The image is overlaid with a semi-transparent teal color. In the upper center, there is a dark rectangular area with some illegible text, possibly a sign or a building facade. The overall scene is a dense urban environment.

WHAT'S NEXT FOR THE DDA?

WHAT'S NEXT FOR THE DDA?

- Priorities for the DDA Moving Forward
 - Capital projects
 - Services
- Funding Options: *TIF Cost Sharing*
 - Capital projects
 - Services
- Services beyond the DDA's Core Mission
 - Base Level Service Agreement with City
 - Parking services
- Governance and Accountability
- Implementation
 - Sequencing
 - Responsibility Centers
 - Benchmarks



An aerial photograph of a city, likely Los Angeles, showing a grid of streets, buildings, and green spaces. A semi-transparent teal overlay covers the entire image. In the center, the words "NEXT STEPS" are written in a clean, white, sans-serif font. The text is centered both horizontally and vertically.

NEXT STEPS

NEXT STEPS

- DDA Board Update
- DDA/City Commission Joint Meeting
- Community Open House
- Final Draft of Moving Downtown Forward Plan



An aerial photograph of a city, likely Los Angeles, showing a dense urban grid with numerous buildings and streets. A prominent feature is a large, curved structure, possibly a stadium or arena, in the upper left quadrant. The entire image is overlaid with a semi-transparent teal color. In the center of the image, the words "THANK YOU!" are written in a large, white, sans-serif font.

THANK YOU!